

Providing PR consulting business

This report is an English translation of part of the report issued on April 2, 2024.
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[156A Material Group Sector : Services]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Aug.2022	4,177	-	417	-	397	-	208	-	24.1	101.0	0.00
Aug.2023	4,655	11.4	713	71.0	695	75.1	437	2.1x	44.6	145.6	0.00
Aug.2024 f	5,772	24.0	1,091	53.0	1,037	49.2	750	71.6	76.2	-	25.06

Note: Consolidated basis. Figures for the fiscal years ending August 2024 are the company's forecasts.

Providing Everything from Overall Strategy Development to Specific Marketing Measures of PR

Material Group consists of the company and six subsidiaries, with each subsidiary responsible for each business.

The company group is engaged in the PR consulting business, which is positioned as a core business; the digital marketing business, which is positioned as a semi-core business; and the PR platform business, which is positioned as a growing business. The PR consulting business accounted for 85.8% of the net sales in fiscal year ended August 2023, the digital marketing business for 8.8% and the PR platform business for 5.4%.

PR Consulting Business

The main customers of this business are large and medium-sized companies that provide products and services for consumers in Japan. The company provides services ranging from strategy design to implementation measures to raise awareness and transform perceptions by delivering information on items such as client companies' brands, products and services to consumers and others through media and social media mostly using various PR methods as well as measures including advertising.

Digital Marketing Business

The digital marketing business offers two services. One is the strategic design of digital marketing communication, digital advertising operation support, advertising creative production, etc., which are provided mainly for customers of the PR consulting business. The other is the provision of a web customer service tool.

PR Platform Business

The PR platform business consists of two services for SMEs and startups. One is a service that matches SMEs and startups that want to deliver information to the media with media outlets in need of relevant article content. The other provides PR and publicity support services for startups by utilizing freelancers who specialize in PR and publicity.

Financial Statements

Statement of income	Fiscal Year	Aug. 2022		Aug.2023		Three months to Nov.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,177	100.0	4,655	100.0	1,283	100.0
Cost of sales		1,671	40.0	1,820	39.1	546	42.6
Gross profit		2,506	60.0	2,835	60.9	737	57.4
Selling, general and administrative expenses		2,089	50.0	2,121	45.6	533	41.5
Operating profit		417	10.0	713	15.3	204	15.9
Non-operating income		3	-	2	-	0	-
Non-operating expenses		23	-	20	-	7	-
Ordinary profit		397	9.5	695	14.9	197	15.4
Profit before income taxes		403	9.6	616	13.2	203	15.8
Profit attributable to owners of parent		208	5.0	437	9.4	125	9.7

Balance sheet	Fiscal Year	Aug. 2022		Aug.2023		Nov.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,874	66.7	1,685	63.9	1,781	61.5
Cash and deposits		851	30.3	614	23.3	678	23.4
Accounts receivable - trade		868	30.9	862	32.7	822	28.4
Inventories		18	0.6	32	1.2	66	2.3
Non-current assets		934	33.3	951	36.1	1,117	38.5
Property, plant and equipment		105	3.7	58	2.2	56	1.9
Intangible assets		493	17.6	505	19.2	653	22.5
Investments and other assets		336	12.0	387	14.7	406	14.0
Total assets		2,809	100.0	2,637	100.0	2,898	100.0
Current liabilities		985	35.1	923	35.0	977	33.7
Accounts payable - trade		299	10.6	308	11.7	280	9.7
Short-term borrowings		-	-	-	-	100	3.5
Current portion of long-term borrowings		107	3.8	118	4.5	126	4.3
Non-current liabilities		830	29.5	281	10.7	363	12.5
Long-term borrowings		805	28.7	256	9.7	289	10.0
Net assets		993	35.4	1,432	54.3	1,557	53.7
Owners' equity		992	35.3	1,430	54.2	1,556	53.7

Statement of cash flows	Fiscal Year	Aug. 2022	Aug.2023
		(mn yen)	(mn yen)
Cash flows from operating activities		347	535
Depreciation		43	39
Amortization of goodwill		37	41
Cash flows from investing activities		-53	-211
Cash flows from financing activities		-88	-561
Dividends paid		-	-
Net increase in cash and cash equivalents		204	-236
Cash and cash equivalents		851	614

Note:Consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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